

Employee Insurance FAQs (general)

1. What is the Health Care Reform law?

Often referred to as Obamacare, the Affordable Care Act, or the ACA, Health Care Reform was signed into law March 23, 2010. The major goals of Health Care Reform legislation are to provide greater access to health care and health insurance. It makes changes to the way health care is paid for and delivered in America by imposing new requirements on employers, individuals, insurance companies, doctors, hospitals, health device and drug manufacturers, and others. The 2,700+ page law has been controversial and complex and has been challenged in many courts but continues to be the law of the land.

2. Are individuals required to have health insurance coverage?

Yes, beginning January 1, 2014, U.S. residents must obtain minimum essential health insurance coverage or they will be subject to a tax penalty. There are limited exceptions for circumstances such as financial hardship and religious objection. The penalties for individuals without minimum essential health insurance coverage will be the greater of a flat dollar amount or a percentage of income. In 2014, an individual pays \$95 or 1% of income. In 2015, an individual pays \$325 or 2% of income. In 2016 and thereafter, an individual pays \$695 or 2.5% of income annually.

3. ColCal's Insurance Plan

\$5,000 Deductible plan meets all law requirements:

- Minimum Value of Coverage
- Affordable
- Covers Medical and Prescriptions

Employees eligible for coverage:

- Must work an average of 30 hours per week
- Variable Hour positions (Team Members)- 1 year anniversary of employment
- Part-Time & Full Time positions (Shift Lead and Higher)- 1st of the month following 60 days of employment

4. How the Flexible Spending Account Works

- a. You set aside pre-tax dollars from your paycheck in an account to pay for certain medical or dependent care expenses
- b. Submit your receipts for expenses and you will get a reimbursement check
- c. Because you don't have to pay taxes on the wages that go through the Flexible Account your realize tax savings and a higher amount of take home pay each year
 - i. Example:

Earnings without the Flexible Spending Account		Earnings with Flexible Spending Account	
Gross Earnings	\$,2000	Gross Earnings	\$,2000
FICA, Federal & State Taxes	-\$500	Insurance Premium	-\$100
Insurance Premium	-\$100	Health Expenses	-\$300
Health Expenses	-\$300	Adjusted Gross Earnings	\$1600
Net Earnings	\$1,100	FICA, Federal & State Taxes	-\$500
		Net Earnings	\$1,200